GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

STARRED QUESTION NO:406
ANSWERED ON:15.12.2016
Powers to Panchayati Raj Institutions
Pathak Smt. Riti

Will the Minister of PANCHAYATI RAJ be pleased to state:

a) the names of the States which have transferred powers to the local self Governments as per 73rd and 74th Constitution Amendment Acts;
b) the extent to which the powers have been transferred to these bodies;
c) whether the Panchayati Raj Institutions have been able to use these powers effectively and if so, the details thereof;
d) the details of the resources transferred and utilized by them during the last three years and the current year, State/UT-wise; and
e) whether the PRIs have also been given powers to levy taxes and if so, the details thereof?

Answer

MINISTER OF PANCHAYATI RAJ
(SHRI NARENDRA SINGH TOMAR)

(a) to (e): A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN PARTS (a) to (e) IN REPLY TO LOK SABHA STARRED QUESTION NO. 406 TO BE ANSWERED ON 15.12.16 REGARDING POWERS TO PANCHAYATI RAJ INSTITUTIONS

(a) & (b): The Constitution of India recognizes Panchayats and Municipalities as 'Institutions of self-government'. 'Panchayats' and 'Municipalities' being 'Local Bodies' is a State subject mandated under Part IX, Part IXA and List II (State List) of Seventh Schedule (Article 246) of the Constitution of India. Article 243G of Part IX and Article 243W of Part IXA of the Constitution allows discretion to State Legislatures to endow, respectively, to the Panchayats and Municipalities with powers and authority to enable them to function as institutions of local self-governance. There is wide variation in the extent of devolution of powers to Panchayats and Municipalities to plan, implement and monitor schemes for economic development and social justice. The status of devolution of functions to Panchayats and Municipalities by various States/UTs are given respectively at Annexe-I & Annexe−II.

(c): The implementation of the provisions of Part IX of the Constitution introduced by the 73rd Constitution Amendment is reviewed by the Government from time to time through studies and discussions with the States. The annual Devolution Index Report and the State of Panchayati Raj Reports commissioned by MoPR assess the policy and legislative framework and outcomes of the powers devolved and utilised by the Panchayats in the States. The provisions introduced through 73rd Constitutional Amendment along with funds being devolved to Panchayats through Union Finance Commission awards have helped in improving the life of marginalized people.

(d): Under the Fourteenth Finance Commission (FFC) award for the period 2015-20, grants to the tune of Rs. 2,00,292.20 crore are being devolved to Gram Panchayats constituted under Part IX of the Constitution and the State of Jammu and Kashmir, for delivering basic services. Allocation and release of grants for the years 2013-14 to 2015-16 and the current year under Central Finance Commissions awards is at Annexe-III.
Funds were also provided to rural and urban local bodies under the Backward Regions Grant Fund (BRGF) in the identified backward districts for bridging critical developmental gaps. The central assistance under BRGF was discontinued with effect from the year 2015-16. Status of funds released and utilised under BRGF is at Annexe-IV.
Under the scheme of Rashtriya Gram Swaraj Abhiyan (RGSA), Ministry of Panchayati Raj (MoPR) has provided financial assistance to the States for strengthening of Panchayati Raj across the country, for training and training infrastructure, e-governance, etc. Details of funds released to States/ UTs and expenditure incurred during last three years (2013-14 to 2015-16) and current year is at Annexe-V.
(e): Under Article 243H of the Constitution, the Legislature of a State may, by law authorise a Panchayat to levy, collect and appropriate taxes, duties, tolls and fees in accordance with procedures and subject to certain conditions & limits. The status of devolution of taxation powers to Panchayati Raj Institutions by various States/UTs is given at Annexe-VI.
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